



# MK 322 Retail Management

## Chapter 15: Retail Communications Mix

### Part I

By Ajarn Suwalya K.

# Integrated Marketing Communications



# Integrated Marketing Communications (IMC) Program

- IMC program: successful retailers utilize IMC program in which they integrate a variety of communication elements to deliver a comprehensive, consistent message to all customers over time, across all elements of their retail mix and across all delivery channels

# Integrated Marketing Communications (IMC) Program

**EXHIBIT 15-1**

**Elements of an Integrated Marketing Communication Strategy**

Media/Characteristics	Personalization	Interactivity	Message Control	Information	Cost per Exposure
<b>Traditional Media</b>					
• Mass advertising	None	None	High	Low	Very low
• Sales promotions	Depends	Depends	High	Low	Low
• In-store marketing/ design elements	Depends	Depends	High	Depends	Low
• Personal selling	High	High	Medium	High	Very high
• Public relations	None	None	Depends	Medium	Low
<b>New Media</b>					
• Online	Depends	Depends	High	High	Depends
• Social media	High	High	Depends	Depends	Low

# Traditional Media Elements



# Mass Media Advertising

- Advertising entails the placement of announcements and persuasive messages purchased by retailers and other organizations that seek to inform and/or persuade members of a particular target market or audience about their products, organizations or ideas
- Mass advertisement is typically used to generate awareness in the need recognition stage of the buying process because of its low cost per exposure and control retailers have over content and timing of the communication

# Newspapers

- A freestanding insert (FSI) also called preprint is an advertisement printed at the retailer's expense and distributed as an insert in the newspaper

**EXPECT MORE. PAY LESS.**

**SAVE OVER \$11**  
**\$18**  
Our lowest price of the season! Butterfly chair by Room Essentials in teal, green, black, berry and floral print. Collapsible, with carrying case. Seasonal merchandise. No cash checks.  
Reg. 29.99

**PRICED RIGHT COLLEGE READY**

**SPECIAL PURCHASE \$89**  
Dry-erase-door refrigerator by Emerson. Includes marker and eraser. 2.8 cu. ft. Also in pink. Quantities limited. No cash checks.

**SALE \$15**  
Storage ottoman by Room Essentials® in several solid colors or floral print.

**SALE \$3**  
30"x54" bath towel by Room Essentials. Coordinating hand towels, washcloths and bath rugs on sale.  
Reg. 3.99

**26" LCD/DVD COMBO**

**SAVE OVER \$50**  
**\$299**  
Magnavox 26" 60Hz 720p LCD/DVD combo HDTV. 4-in-1 HDTV, DVD player, PC monitor and gaming monitor. M-26809008.  
Reg. 349.99

**SALE \$799**  
225-thread-count sheet set by Room Essentials. Full, queen and king sheet sets and pillowcases on sale. Seasonal merchandise on sale. Cash checks only, sale by store.

**COLLEGE ESSENTIALS 2012**

**LOOKING FOR MORE LOW PRICES? FIND OUR SUNDAY AD ONLINE, ANY TIME AT TARGET.COM/WEEKLYAD.**

When customers see this ad, it highlights the deals that are being offered at Target.

# Magazines

- Magazines offer both print and online advertising or have transitioned to online only
- This change in the business model for some magazines from print to online (or both) enables retailers to reach potential customers at a lower cost per exposure
- Retailers tend to use it for image advertising, but due to lead time, difficult to coordinate with special events and sales



# Direct Mail

- Direct mail includes brochure, catalog, advertisement, or other printed marketing material delivered directly to the consumer through the mail or a private delivery company
- With the advent of loyalty and CRM programs, retailers are now able to personalize their direct mail to all customers, to a subset of customers according to their previous purchase or even personalized basis to individual customers

# Television

- Retailers use TV for image advertising, to take advantage of the high production quality and the opportunity to communicate through both visual images and sound
- TV can demonstrate product usage
- Is an excellent medium for car, furniture, and consumer electronic dealers



# Radio

- Many retailers use radio advertising because messages can be easily targeted to a specific segment of the market
- Audiences can be loyal in a talk radio format
- The cost in developing and broadcasting radio commercials is low



# Sales Promotions



# Sales Promotions

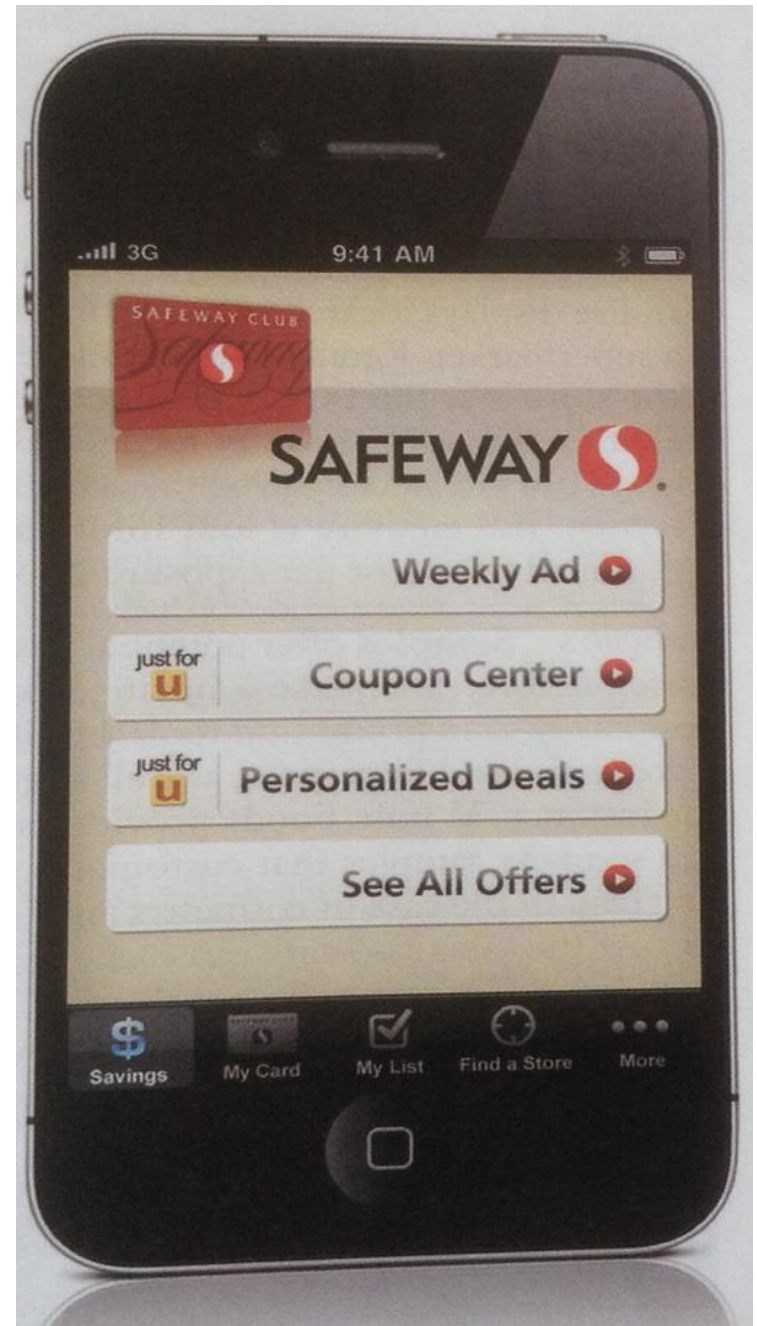
- Sales promotions are special incentives or excitement-building programs that encourage consumers to purchase a particular product or service
- Part of long term CRM programs
- The ability to control the message is high and cost per exposure is low eventhough they provide relatively little information

# Coupons

- Coupons offer a discount of price of specific items when they are purchased
- Coupons are issued by manufacturers and retailers in newspapers, on products, on the shelf, at the cash register, over the internet, on mobile devices and through the mail
- Some retailers link coupons to their loyalty programs

# Coupons

When customers sign up for its loyalty card, they also agree to let Safeway track their purchases. With this information, Safeway can offer coupons that are likely to appeal to each customer.



# Rebates

- Rebates provide another form of discounts for consumers
- The manufacturer instead of the retailer, issues the refund portion of the purchase price returned to the buyer in form of cash
- Some retailers offer "instant rebates" that can be redeemed at point-of-purchase

# Premiums

- A premium offers an item for free or at a bargain price to reward some type of behavior such as buying, sampling or testing
- Such rewards build goodwill among consumers, who often perceive high value in them
- A premium can be distributed in a variety of ways for ie. Toys in cereal boxes, free perfume offers that Victoria Secret mails to customers





# Point-of-Purchase (POP) Displays

- Point-of-purchase (POP) displays are merchandise displays located at the point of purchase, such as the checkout counter in a supermarket
- Retailers have long recognized that the most valuable real estate in store is at the POP
- Interactivity is low, cost per exposure is low

# Point-of-Purchase (POP) Displays



# Point-of-Purchase (POP) Displays



Point-of-purchase displays stimulate impulse purchases while customers are waiting to pay for their purchases.

# Samples

- Samples offer potential customers the opportunity to try a product or service before they make a buying decision
- Distribution samples is one of the most costly sales promotion tools, but it is also one of the most effective
- Retailers of cosmetics and fragrances, as well as grocery stores, frequently employ sampling

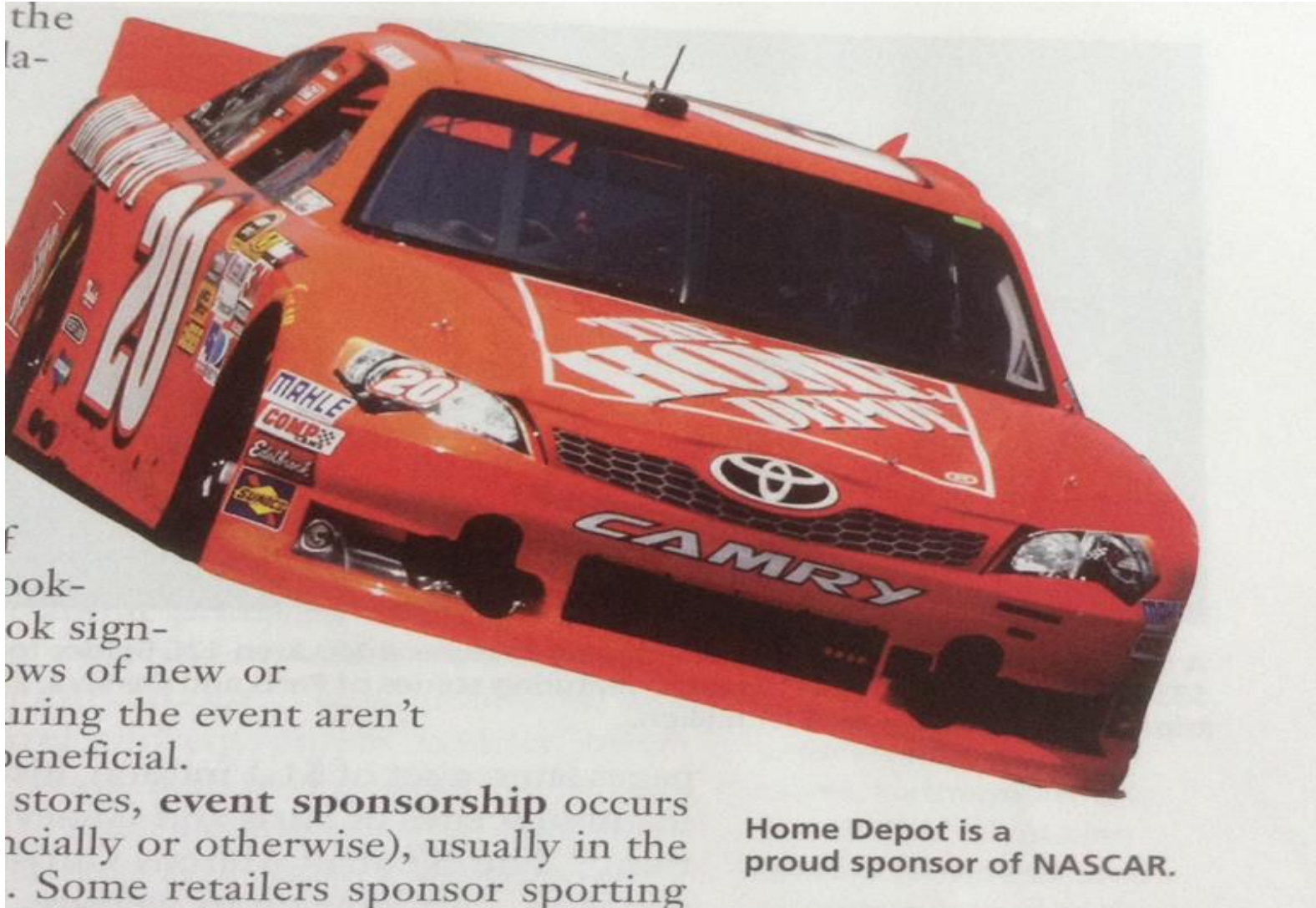
# Samples



# Special Events

- A special event is a sales promotion program comprising a number of sales techniques built around a seasonal, cultural, sporting musical or some other type of activity
- Special events can generate excitement and traffic in the store
- Event Sponsorship occurs when retailers support various activities (financially or otherwise), usually in the cultural or sports and entertainment center

# Special Events



the  
la-

f  
book-  
ok sign-  
ows of new or  
uring the event aren't  
beneficial.

stores, **event sponsorship** occurs  
(financially or otherwise), usually in the  
. Some retailers sponsor sporting

Home Depot is a proud sponsor of NASCAR.

# Personal Selling

- Personal selling is a communication process in which sales associates help customers satisfy their needs through face-to-face exchanges of information
- Sales people can personalize every message to fit the customers' needs and provide as much information as needed



# Public Relations

- Public Relations (PR) involved managing communications and relationship to achieve various objectives, such as building and maintaining a positive image of the retailer, handling or heading off unfavorable stories or events

# Public Relations

- Neiman Marcus and Its Christmas Catalog is the nation's best known retail catalog



A recent Neiman Marcus Christmas catalog features a McLaren 12C Spider for \$354,000, and his-and-hers watches, featuring scenes of Paris and Geneva, and trips to each location for \$1.1 million.

# Public Relations

- Macy's and Cause-Related Marketing
- Starting in 2011, Macy's partnered with many charities in a successful campaign
- In addition to providing a benefit for society, its Shop for a cause related campaign generates a lot of publicity


# Public Relations

- Macy's and Cause-Related Marketing

## #MacysGoesRed

Color your world red and we'll donate \$2 to Go Red for Women®, up to \$250,000. Post it, pin it, tweet it and tag it with #MacysGoesRed and you can share the magic of giving with Macy's.


Macy's [Follow Board](#) 34 Pins 22,898 Followers



Share something red with #MacysGoesRed and we'll donate \$2 to the American Heart Association's Go Red For Women® movement, up to \$250,000.

**COLOR YOUR WORLD RED**

#ColorYourWorld #MacysGoesRed  
17 repins 7 likes




Follow your heart & share the Love


Share something red with #MacysGoesRed and we'll donate \$2 to the American Heart Association's Go Red For Women® movement, up to \$250,000.

31 repins 6 likes

Uploaded by Macy's



#MacysGoesRed #red #dress #inspiration  
39 repins 12 likes



#MacysGoesRed #ribbon #red #inspiration  
24 repins 6 likes

# Retailers and Product Placement

- When retailers and vendors use product placement, they pay to have their product included in nontraditional situations, such as a scene in a movie or television program

# Retailers and Product Placement



Subway pays to have its products featured in nontraditional situations, such as when contestants on *The Biggest Loser* run from one restaurant to another.



**That's All Folks**